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C O N F I D E N T I A L SECTION 01 OF 03 QUITO 002251

SIPDIS

E.O. 12958: DECL: 08/11/2014

TAGS: [PGOV](#) [KDEM](#) [KCOR](#) [PREL](#) [EC](#)

SUBJECT: PARTY POSTURING PROMPTS BUCARAM RETURN RUMORS

Classified By: Ambassador Kristie A. Kenney, Reasons 1.5 (b), (d)

11. (C) SUMMARY: President Lucio Gutierrez's recent comments favoring the return of exiled former President Abdala Bucaram have ignited a political firestorm in Ecuador, with leading opposition parties promising that impeachment proceedings would shortly follow. Bucaram, whom Congress removed in February 1997 on "mental incapacity" grounds, subsequently fled to Panama and enjoys political asylum there; he continues to lead the Ecuadorian Roldosista party (PRE) en absentia. Analysts surmised that Gutierrez, seeking an alliance between the PRE and his own Patriotic Society party (PSP), had acquiesced to the former's primary goal and platform plank, "the return of Abdala." The Social Christians (PSC) loudly opposed, arguing that court orders demanding Bucaram's immediate arrest for fraud remained in force. PRE leadership, however, assert that a provincial judge rescinded the orders in 2001, allowing for the swift return of their beloved master. Non-partisan Embassy contacts and Presidency officials consider the PRE's public bluster, announcing Abdala's imminent arrival, a gambit designed to energize the bases. We agree, viewing Gutierrez's discourse as another political test balloon. END SUMMARY.

The Man They Call El Loco

12. (C) Historians and political analysts rate Bucaram Ecuador's most corrupt leader, an impressive achievement in a country that Transparency International consistently ranks amongst the hemisphere's worst kleptocracies. A self-proclaimed "loco" (he recorded a song titled "A Madman in Love"), Bucaram campaigned as a leader for the poor. His raiding of the public till, combined with widescale fraud perpetrated by cabinet officials, worsened his constituents' poverty. Public demonstrations calling for his ouster reached such levels in February 1997 that Ecuador's Congress, itself not lilly-white, impeached Bucaram on grounds of mental incapacity. The president lost the subsequent vote, 44-34, and eventually fled for Panama and political asylum. Embassy contacts and media speculate he bought his status.

13. (U) In remarks to Quito daily El Comercio August 5, Gutierrez welcomed the disgraced former president's return. "...I would like Bucaram to come back, because he didn't commit the crimes he was accused of. Some politicians are terrified at his return (I am not). But as president, I can't tell him to come, nor can I oppose him." In an El Comercio interview published August 6, Bucaram proclaimed his innocence and thanked Gutierrez for displaying admirable political courage. The deposed leader claimed the law was on his side. "I could return tomorrow," Bucaram claimed, "but I need guarantees I won't be detained illegally." His stated intention was to return in time to present his candidacy for the October Guayaquil mayoral race (August 17 is the cutoff date).

Method to the President's Madness?

14. (U) Media speculated that Gutierrez's show of Bucaram support had political motivations. Ecuadorian electoral law stipulates that parties not winning five percent of the vote in multi-candidate races shall be disbanded (Ecuadorian legislative elections are more parliamentary than presidential, with parties presenting candidate lists). Gutierrez's PSP fell below the threshold in 2002 national elections, and pollsters predict a similar showing in the October 2004 local races. Allying with Bucaram's PRE offered the PSP greater prospects and a stay of execution. Minister of Government Raul Baca lent weight to these theories August 4, telling TeleAmazonas TV that PSP and PRE deputies already had joined forces in Congress.

Enemies Line Up For Fight

15. (U) Opposition forces quickly denounced Gutierrez. PSC stalwart Leon Febres Cordero led the pack, arguing that any move by the president to facilitate Bucaram's return represented an impeachable offense. Press report that two

criminal cases remain active against the former leader, both stemming from alleged misuse of government funds. Were Gutierrez to order the police not to enforce the court order, he would "commit an attack against the security of the state," Febres Cordero asserted, violating the constitutional mandate for separation of powers.

16. (U) In a meeting with Poloff August 10, PSC Congressman Carlos Torres added personal recollections of the last days of Bucaram. The PRE leader had attempted to buy "no" impeachment votes at \$1 million per. Losing the vote and the presidency, he left Ecuador with literally baskets of cash, stolen from the Central Bank. By law, the fraud investigations against Bucaram had frozen upon his departure from Ecuador, but the charges remained outstanding. Torres discounted the PRE-publicized decision by an Esmeraldas judge who, via a constitutional challenge, supposedly had cleared the ex-president's name. "The PRE owns Esmeraldas," the PSC legislator asserted, and only the Supreme Court could issue such a challenge.

17. (U) PRE discourse announcing Bucaram's imminent return was old hat, Torres continued. The party was really a cult of personality, directionless without its leader. In the seven years since Bucaram fled, PRE leaders had trotted out the "he's coming" line before every election, hoping to get the faithful to the polls. Torres believed Gutierrez eventually would wise up and retract support for Bucaram's return.

18. (U) Guayaquil Mayor Jaime Nebot (PSC), perhaps the front-runner for the presidency in 2006, was convinced Bucaram did not want to return. He would be arrested at the airport, Nebot told the Ambassador August 12, and he knows it. The PRE leader's effectiveness is greatest from afar, lobbing charges against any and all parties. Last, Nebot argued that the PRE's few serious politicians did not want the tarnish that Bucaram's return would bring.

And Supporters Say Abdala Was Framed

19. (U) Ernesto Valle and Mario Touma, PRE legislators, maintained their boss's innocence, telling Poloff August 10 that Bucaram's ministers were to blame in any malfeasance. "A leader can't be faulted for the actions of his followers," Valle incredulously explained. Besides, there was no "documentary" proof of wrongdoing. The Esmeraldas judge's finding was binding, as the government had not appealed within the mandated time limit. And Gutierrez, as chief executive, was bound by law to enforce court rulings and thus allow Bucaram's return.

10. (C) "He owes us," Valle continued, revealing a four year-old verbal agreement between PRE congressmen and the then-cashiered Army colonel. Under that deal, the PRE bloc would vote to amnesty Gutierrez and other participants in the 2000 presidential coup, in exchange for future support in bringing Bucaram back. There were tapes of the conversation, Valle threatened. Touma insisted that Bucaram's return presented little political risk to the president. The PSC might impeach, but the votes needed - 67, or two-thirds of Congress - were not there. It would be one more crisis Gutierrez could overcome, he thought.

One Expert's View

11. (U) Prominent analyst Adrian Bonilla ventured that Gutierrez's support for Bucaram was tongue-in-cheek. Although the president had committed numerous gaffes before, he was not so dumb as to miss the risks inherent in calling Bucaram home. Only by removing Baca (a PRE demand) could this occur, since the MinGov was a straight-shooter certain to oppose instructions to ignore pending arrest warrants. Baca's departure spelled disaster, Bonilla believed, as he was one of few serious politicians in the current cabinet. Although he doubted Gutierrez would do it, he urged the Embassy to reconsider its support if he did.

12. (U) Bonilla predicted the PSP would survive, regardless of its October showing. The Supreme Electoral Tribunal (TSE) had proven unsuccessful at decertifying parties commanding far fewer votes - its orders were essentially toothless. Additionally, PSP prospects looked good in Ecuador's jungle provinces. He thus thought Gutierrez could jettison the PRE with minimal adverse effects.

COMMENT:

13. (C) We have argued before that, despite numerous missteps and mounting political pressures, we don't see the

silver bullet to take Gutierrez down. A Bucaram return to Ecuador looks lethal, however, regardless of Touma's vote tally. Thankfully, Gutierrez's comments appear more another test balloon, less a well-formed policy decision. Presidential Legal Advisor Carlos Larrea August 11 confirmed that Gutierrez had not issued Bucaram's travel orders, nor had he requested a legal opinion for political cover. Larrea was confident the ex-president would remain in Panama. END COMMENT.
KENNEY